APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

| Date of filing in State Engineer's Office JUL 24 2000 |
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| Returned to applicant for correction |
| Corrected application filed |
| Map filed AUG 11 2000 UNDER 66605 |
| ******* The applicant L.B. Acquisition, LLC, a Nevada limited liability company, hereby makes application for permission to change the Point of Diversion, Manner and Place of Use of a portion of water heretofore appropriated under Permit 30581, Certificate 9766 ********************************** |
| 1. The source of water is Underground (Well #17) |
| 2. The amount of water to be changed 0.1843 CFS, not to exceed 133.301 Acre-feet |
| 3. The water to be used for Recreation (Golf Course Irrigation) |
| 4. The water heretofore permitted for Irrigation and Domestic |
| 5. The water is to be diverted at the following point NW¼ SE¼ Section 22, T. 16N., R. 19E., M.D.B.&M. or at a point from which the SE corner of said Section 22 bears S. 38° 55' 06" E., a distance of 2451.84 feet. |
| 6. The existing permitted point of diversion is located within NW¼ SW¼, Section 23, T. 16N., R. 19E., M.D.B.&M., or at a point from which the SW corner of said Section 23 bears S. 2° 05' W., a distance of 1802.0 feet. |
| 7. Proposed place of use See Attachment "A" |
| 8. Existing place of use See Attachment "B" |
| 9. Use will be from January 1 to December 31 of each year. |
| 10. Use was permitted from January 1 to December 31 of each year. |
| 11. Description of proposed works Drilled and cased well, equipped with a motor, pump, meter and distribution system. |
| 12. Estimated cost of works \$100,000.00 |
| 13. Estimated time required to construct works Two (2) Years |
| 14. Estimated time required to complete the application of water to beneficial use Four (4) Years |
| 15. Remarks: This application to change a portion of Permit 30581 is being filed in order to provide water for the Thunder Canyon Golf Course. Water to be co-mingled with waters under portions of Permits 18198, 20648, 23287, 30579, 50071 & 50072 on 171.13 Acres. |
| By Gregory M. Bilyeu s/ Gregory M. Bilyeu P.O. Box 70458 Reno, NV 89570 Compared pecmf lb/ cmf |

Protested_

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the place of use and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 30581, Certificate 9766 is issued subject to the terms and conditions imposed in said Permit 30581, Certificate 9766 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is supplemental to the waters of Musgrove Creek and Unnamed Creek. Through the issuance of this permit, it is expressly understood that the Musgrove Creek and Unnamed Creek waters must be used prior to any supplemental groundwater use.

A monthly report shall be submitted to the State Engineer within 10 days from the end of each month which shall include the amount of water pumped from the well and the amount of water used.

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The total combined duty of water under Permits 66605, 66606, 66607, 66608, 66609, 66610, 66611 and 66612 shall not exceed 717.75 acre-feet annually.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.1841 cubic feet per second, but not to exceed 133.301 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

February 11, 2005

Proof of completion of work shall be filed on or before:

March 11, 2005

Water must be placed to beneficial use on or before:

February 11, 2007

Proof of the application of water to beneficial use shall be filed on or before:

March 11, 2007

Map in support of proof of beneficial use shall be filed on or before: March 11, 2007

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

| t | this 11th | day of | February, | A.D. | <u> 2003</u> |
|-------------------------------|------------------|--------|-----------|------|--------------|
| | Jun | /ill | C. P.L. | | |
| 4, | | State | Engineer | | |
| Completion of work filed | 2 9 2003 | | | - | |
| Proof of beneficial use filed | | | • | | |
| Cultural map filed | | | | | |
| Certificate No. | Issued _ | | | | |

ATTACHMENT "A"

7. Proposed Place of Use:

30.15 Acres, NW ¼ NE ¼, Section 23, T.16N., R.19E., M.D.B. & M. 1.06 Acres, SW ¼ NE ¼, Section 23, T.16N., R.19E., M.D.B. & M. 20.19 Acres, NE ¼ NW ¼, Section 23, T.16N., R.19E., M.D.B. & M. 18.27 Acres, NW ¼ NW ¼, Section 23, T.16N., R.19E., M.D.B. & M. 9.77 Acres, SW ¼ NW ¼, Section 23, T.16N., R.19E., M.D.B. & M. 16.80 Acres, NW ¼ SW ¼, Section 23, T.16N., R.19E., M.D.B. & M. 1.47 Acres, NE ¼ SW ¼, Section 23, T.16N., R.19E., M.D.B. & M.

14.65 Acres, NW ¼ NE ¼, Section 22, T.16N., R.19E., M.D.B. & M. 15.83 Acres, NE ¼ NE ¼, Section 22, T.16N., R.19E., M.D.B. & M. 12.54 Acres, SE ¼ NE ¼, Section 22, T.16N., R.19E., M.D.B. & M. 9.38 Acres, SW ¼ NE ¼, Section 22, T.16N., R.19E., M.D.B. & M. 2.01 Acres, NW ¼ SE ¼, Section 22, T.16N., R.19E., M.D.B. & M. 19.01 Acres, NE ¼ SE ¼, Section 22, T.16N., R.19E., M.D.B. & M.

171.13 acres total

Attachment "B"

8. Existing Place of Use

| Acres | Quarter | Quarter | Section | Twnshp | Range |
|--------|---------|---------|---------|--------|-------|
| 2.4 | NE | NW | 23 | 16N | 19E |
| 31.9 | NW | NW | 23 | 16N | 19E |
| 36.6 | sw | NW | 23 | 16N | 19E |
| 2.40 | SE | NW | 23 | 16N | 19E |
| 12.6 | NE | sw | 23 | 16N | 19E |
| 26.9 | NW | sw | 23 | 16N | 19E |
| | sw | sw | 23 | 16N | 19E |
| | SE | sw | 23 | 16N | 19E |
| 112.80 | | ТО | | | |

Acreage being removed under this application

| [| Acres | Quarter | Quarter | Section | Twnshp | Range |
|-------|-------|---------|---------------|---------|--------|-------|
| | | | | | | |
| | 2.40 | NE | NW | 23 | 16N | 19E |
| | 17.14 | NW | NW | 23 | 16N | 19E |
| | 9.77 | sw | NW | 23 | 16N | 19E |
| | | SE | NW | 23 | 16N | 19E |
| ا م د | | | | | | |
| OF B | 1.47 | NE | sw | 23 | 16N | 19E |
| | 7.78 | NW | sw | 23 | 16N | 19E |
| Ī | | sw | sw | 23 | 16N | 19E |
| | | SE | sw | 23 | 16N | 19E |
| | | | | | | |
| ļ | 37.09 | | TOTAL ACREAGE | | | |